

Michigan Economic Development Corporation

House Commerce Committee

Honorable Representative Wayne Schmidt, Chair

February 8, 2011

Presented by:

Michael A. Finney, President & Chief Executive Officer

James McBryde, Vice President, Governmental Affairs



“Job One is Jobs.”

Governor Rick Snyder
2011 State of the State
January 19, 2011

What is the MEDC?

- Created in April 1999 by an Inter-local Agreement
- Designed under business model as independent entity
- Partnership between the Michigan Strategic Fund (MSF) for the State and local/regional economic development agencies with Dual Mission:
 - Work to expand business opportunities & investments in Michigan
 - Focus on innovative ways to strengthen Michigan's business environment
- 67 local economic development partners, 87 corporate partners, 73 Convention & Visitors' Bureaus, and 20 member Executive Committee, Michigan Works! agencies

What We Do

Provide leadership to Reinvent Michigan by:

- Creating More and Better Jobs
- Creating An Environment That Will Keep Our Youth -
Our Future - In Michigan
- Restoring Cities and Controlling Urban Sprawl
- Enhancing Michigan's National & International Image
- Bringing "Winning" Back To Michigan

What We Do – Jobs

- Support robust entrepreneurial ecosystem for job growth
- Develop/retain young talent and get people back to work
- Strengthen sound infrastructure of training and business development services
- Work on access to capital to fuel the ecosystem
- Bridge gap in technology transfer from laboratory to the marketplace
- Package and market Michigan's brand of entrepreneurial culture

What We Do – Jobs

Michigan business development managers assist businesses, with local partners, to identify opportunities for expansion, growth, or other cost savings for job retention and growth.

- Collaborate in job creation and job retention projects
- Over 3,100 company visits last year
- 90% of visits to companies with less than 250 employees
- Work with key Michigan companies to assist in growth opportunities within state
- Align companies with the resources that aid in growth
- Develop an in-depth relationship to assist business growth

What We Do – Jobs; Enhance Michigan's Image

Pure Michigan Tourism and Business Marketing Campaign

- Drives 2nd largest industry growth and retention
- Targets C-level executives for expansion of business in Michigan
- Promotes high quality of life in Michigan
- Enhances Michigan's national and international image

What We Do – Jobs; Enhance Michigan's Image

- Michigan Promotion Program *Pure Michigan*
 - Visitors spend \$15.1 billion annually traveling in Michigan
 - Generates \$850 million in state taxes
 - Supports 142,500 jobs for Michigan residents
- Michigan Council for the Arts and Cultural Affairs
 - Over 9.9 million benefitted at cost of \$.21 per person
 - Community development through support of art and cultural affairs infrastructure, events, and activities
 - 59,652 artists in Michigan
 - Average grants were \$5,896 (state and federal dollars)
 - New Leaders Arts Council of Michigan Retention and Community Engagement Program to engage young people in the arts and culture of Michigan
 - Community development through support of arts' infrastructure, activities, and events

What We Do – Enhance Michigan's Image

Michigan Promotion Program

Return on Investment (ROI):

- FY04 to FY08
 - Four year average - \$2.86 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*
- FY09
 - Regional - \$5.34 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*
[Region includes Chicago, Milwaukee, Indianapolis, Cleveland, Cincinnati, Dayton, Columbus, St. Louis, and Southern Ontario]
 - National - \$2.23 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*

• *Source: Longwoods International*

What We Do – Restoring Cities

- Community Assistance Team (CAT) managers assist communities and companies with opportunities for expansion, growth, or other needs.
- Efforts will be enhanced by coordination of efforts with the Michigan State Housing Development Authority (MSHDA)
- Primary tools for communities:
 - Brownfield Redevelopment Incentives
 - Renaissance Zones
 - Community Development Block Grant (CDBG)*

*Generally communities under 50,000 population

How We Do It

- Research and data driven with multi-year strategic plan
- Areas of Focus in 2011
 - Create More and Better Jobs
 - Create An Environment That Will Keep Our Youth – Our Future – In Michigan
 - Restore Cities and Control Urban Sprawl
 - Enhance Michigan's National and International Image
 - Bring “Winning” Back to Michigan
- Use Economic Development Tools authorized by Legislature
- Work through collaboration and partnerships
 - Local Partners, Universities, other State Departments
 - Strategic Partners

How We Do It - MEDC Services Provided by Strategic Partners

- Michigan Small Business & Technology Development Center (MI-SBTDC)
- Procurement Technical Assistance Centers (PTAC)
- Michigan Manufacturing Technology Center (MMTC)

How We Do It - Tools We Use

- Pure Michigan Marketing Campaign
- 21st Century Jobs Fund
- Capital Access Program (CAP)
- Centers of Energy Excellence (COEE)
- Private Activity Bonds (formerly IDRB)
- Community Development Block Grants (CDBG)
- Small Business Investment Tax Credit
- Michigan Defense Center
- Property Tax Abatements (local level)
- Site Location Services
- SmartZones

Bring Winning Back to Michigan

- Team Michigan
 - Governor Rick Snyder
 - Michigan Senate
 - Michigan House of Representatives
 - MEDC/Michigan Strategic Fund
 - MEDC Strategic Partners
 - Local Economic Development Partners
 - Corporate Partners
 - Tourism Partners
 - State of Michigan departments and agencies
 - Michigan local governments

Q & A

APPENDIX

Appendix A - Services Provided by Strategic Partners

Small Business and Technology Development Center

- Network supported by the MEDC
- 12 centers and over 30 satellite offices serving all 83 counties
- **From 2007 to 2009, assisted start-up of 1,179 new businesses with 9,793 jobs created by these companies ***
- Centers provide the following services to **small businesses** with less than 500 employees – core of which is companies with under 50:
 - provide no-cost business management consulting and low-cost training to Michigan's small business community
 - certified counselors assist businesses in handling cash flow problems, developing sound accounting practices
 - producing marketing materials
 - packaging loan proposals
 - addressing personnel issues
 - referring clients to experts who partner with the MI-SBTDC network.
 - links resources of federal and local governments with community colleges, universities, and the private sector to produce practical solutions to business problems

Appendix A - Services Provided by Strategic Partners

Michigan Manufacturing Technology Center (MMTC)

- Provide the administration and leading **training for manufacturing companies seeing to diversify** through the MEDC's Supplier Diversification Program.
 - 133 companies received training and assistance in 2009.
 - *FY 2010 goal is to achieve \$56 million in new contracts and retain 100,000 jobs.*
- 6 centers throughout the state serve businesses
- Offers direct technical assistance to **small and medium-sized manufacturers** to connect them to the best manufacturing practices and technologies available.
- State and federal funding in combination with links to national industry groups, major manufacturers, automation equipment vendors, universities and research.
- Assistance including lean manufacturing and continuous improvement, quality systems, ISO 14001, costing systems, management and market diversification.

Appendix A - Services Provided by Strategic Partners

Procurement Technical Assistance Centers

- Network supported by the MEDC through the DCCC
- 11 centers with several satellite offices serving all 83 counties
- PTACs assist **small and medium sized businesses** obtaining government contracts (any items found in homes or offices needed, in addition to products and technologies to protect and support our armed forces)
- **Companies reported government contracts valued at \$645.8 million were awarded in FY 2009 ***
- Centers assist companies throughout the entire procurement process from pre-award to post-award:
 - registering to become a government contractor
 - identifying bid opportunities
 - simplifying the bidding process
 - expediting payments through electronic invoicing
 - assisting with post-award evaluation of your submitted contract and/or award

* Source: Procurement Technical Assistance Centers

Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Overview:

- A long-term initiative to transform Michigan's economy
- “Economic gardening” to grow entrepreneurial ventures
- Varied programs assist in all stages of capital lifecycle
- Building Michigan's entrepreneurial infrastructure
- Leverages private sector expertise, experience, and capital
- Maximizes double-bottom line returns
- Long-term investment with promising early returns

Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Results to date:

- Estimated 25,000 jobs created/retained
- Over 1,400 companies assisted
- \$1.5 billion in leverage; \$3.30 for every \$1 invested*
- 900 patent applications submitted and/or approved
- Over 450 new products and technologies licensed

* Initial cost is less than \$12,000 per job and will continue to diminish, eventually recovering the cost.

Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Outcomes:

- Investment programs are operating in the black even though it is still very early in the program's development.
- Program projections show significant and greater returns to the state going forward.
- Newer programs have been developed that improve on older programs by focusing on more near-term job creation and on the state's current economic challenges.

Appendix C – Marketing Michigan Promotion Program

Social media

- 184,911 on Facebook; 662% increase from the beginning of 2010
- 9,784 followers on Twitter; 204% increase from the beginning of 2010
- 159 Pure Michigan Connect blog posts
- 5,002 uploaded Pure Michigan photos to Pure Michigan Photostream on Flickr
- 357,759 views of Pure Michigan commercials on YouTube and michigan.org; 105% over 2009

Website

- Most popular state tourism website 2007-2010
- Information to over 12,000 Michigan tourism attractions, events, hotels, events
- On-line merchandise store launched in October 2010
- 13,354,331 web visits in 2010
- 2010 traffic up 18.9% over 2009

Partnerships

- 73 Convention and Visitors' Bureaus around state
- 57 communities and organizations provide \$1.5 million in private-sector partner advertising funds
- 31 different partner advertising campaigns in 2010

First national tourism advertising campaign launched in 2009

- \$10 million cable television buy on 15 networks*
- Pure Michigan commercials aired 7,900 times from March to June 2009*
- 60 million Americans viewed commercials from coast to coast*

Appendix C – Marketing Michigan Promotion Program

State	Budget Rank	Tourism Budget (FY09 estimated)	Population
Hawaii	1	\$ 71,000,000	1,288,198
Illinois	3	50,994,500	12,901,563
Michigan (2009)	6	32,699,646**	10,003,422
Pennsylvania	7	29,780,300	12,448,279
Missouri	11	19,963,329	5,911,605
Tennessee	12	19,897,700	6,214,888
Michigan	14	\$17,612,446	
Wisconsin	20	15,147,900	5,627,967
Minnesota	29	10,774,347	5,220,393
West Virginia	34	7,917,089	1,814,468
Ohio	35	7,568,166	11,485,910
National Average		\$16,312,104	

* Source: Travel Industry Association of America 2008-2009 survey of U. S. State and Territory Tourism Office Budgets and US Census Bureau population estimate, 7/1/2008

** Includes staff, administration and \$30 million in advertising

Appendix D – Arts and Cultural Program

FY 2010 APPLICATION AND GRANT DATA

- In FY 2010, \$2.1 million was distributed as arts and cultural grants in five competitive programs
 - Operational & Project Support
 - Bus Grants
 - New Leaders Program
 - Regional Regranting Minigrant Program
 - Services to the Field
- 539 applications received, 358 funded
 - The 358 grants were matched with \$160,851,187 in applicant funding
- Counting partnerships, **627 grants** were made across the state for arts and cultural activities in FY 2010
- Grants awarded directly to 57 counties. When partnerships are counted, grants were made in 78 counties
- 13,620 jobs represented by MCACA grant recipients
- 59,652 Michigan artists employed FY 2010 funded arts and cultural projects and programs
- FY 2010 Client attendance/benefitting figures:
 - 9,920,001 individuals, 2,939,564 Youth

Appendix D – Corporate Partners

American Electric Power Company - aep.com/
Ann Arbor Spark - annarborusa.org/
Baraga County Economic Development Corporation - baragacounty.org/
Barry County Economic Development Alliance – www.barrychamber.com
Battle Creek Area Chamber of Commerce - battlecreek.org/
Battle Creek Unlimited - bcunlimited.org
Bay Future – bayfuture.com
Big Rapids Area Industrial Development Corporation - ci.big-rapids.mi.us/
Branch County Economic Growth Alliance - bcega.com/
Cadillac Area Chamber of Commerce - cadillac.org/
Capital Area Michigan Works - camw.org/
Central Upper Peninsula Planning and Development Commission - cuppad.org/
Charter Township of Emmett - emmett.org/
Charter Township of Flint - flinttownship.com/
Clinton County Economic Development Alliance - clintoncountyeconomicalliance.org/
Coloma-Watervliet Area Economic Development Corporation - coloma-watervliet.org/
Consumers Energy - consumersenergy.com/
Crawford County Economic Development Partnership - crawfordco.org/
DTE Energy - dteenergy.com/
Delta County Economic Development Alliance - deltami.org/organizations/eda.html
Detroit Renaissance - detroitrenaissance.com/
Dickinson Area Partnership - dickinsonchamber.com/
East Central Michigan Planning and Development Regional Commission - ecmpdr.org
Eastern Upper Peninsula Planning and Development Commission - eup-planning.org/
Economic Development Council of Livingston County - livingstonedc.com/
Economic Development Corporation of Roscommon County - 877muvonup.com/index.asp
Economic Development Alliance of St. Clair County - edascc.com/
Eight Mile Boulevard Association - eightmile.org/
Genesee Regional Chamber of Commerce - thegrcc.org/
Grand Haven Chamber of Commerce - grandhavenchamber.org/
Great Lakes Bay Michigan Works! - michiganworks.org/agencies/agency/181/
Hillsdale County Industrial Development Commission - hillsdaleedp.org/
HP Devco, Incorporated - hpdevco.org/
Keweenaw Industrial Council - kedabiz.com/
Kyonggi Province Development Council, Korea Trade Center - kotra.or.kr
Lakeshore Advantage Corporation - lakeshoreadvantage.com/
Lansing Economic Area Partnership (LEAP) - leapincorporated.com/
Lansing Regional Chamber of Commerce - lansingchamber.org/
Livonia Chamber of Commerce - livonia.org/
Macomb County Chamber of Commerce - macombcountychamber.com/
Marshall Area Chamber of Commerce - marshallmi.org/

Appendix D – Corporate Partners

Macomb County Chamber of Commerce - [.macombcountychamber.com/](http://macombcountychamber.com/)
Marshall Area Chamber of Commerce - [.marshallmi.org/](http://marshallmi.org/)
City of Menominee - [.cityofmenominee.org/](http://cityofmenominee.org/)
Michigan Community College Association - [.mcca.org/](http://mcca.org/)
Mecosta County Development Corporation - [.mecostaedc.com/](http://mecostaedc.com/)
Michigan Downtown & Financing Association - [.michigandowntowns.com/](http://michigandowntowns.com/)
Michigan Electric Cooperative Association - [.countrylines.com/](http://countrylines.com/)
Michigan Gas Utilities - [.michigangasutilities.com/](http://michigangasutilities.com/)
Michigan Manufacturing Technology Center - [.mmtc.org/](http://mmtc.org/)
Michigan Minority Business Development Council - [.mmbdc.com/](http://mmbdc.com/)
Michigan Small Business & Technology Development Center – [.misbtdc.org/](http://misbtdc.org/)
Michigan State University Extension - [.msue.msu.edu/portal/](http://msue.msu.edu/portal/)
Michigan Virtual University - [.mivu.org/](http://mivu.org/)
Middle Michigan Development Corporation - [.mmdc.org/](http://mmdc.org/)
Monitor Township Downtown Development Authority
Monroe County Chamber of Commerce - [://monroemi.usachamber.com/](http://monroemi.usachamber.com/)
Monroe County Industrial Development Corporation - [://monroecountyidc.com/](http://monroecountyidc.com/)
Munising Area Partnership for Development, Inc. - [.munisinginfo.com/](http://munisinginfo.com/)
Muskegon Area First - [.muskegonareafirst.org/](http://muskegonareafirst.org/)
National Center for Manufacturing Sciences - [.ncms.org/](http://ncms.org/)
Newaygo County Economic Development Office, Inc. - [.ncedo.org/](http://ncedo.org/)
Northeast Michigan Council of Governments - [.nemcog.org/](http://nemcog.org/)
Northern Initiatives - [.niupnorth.org/](http://niupnorth.org/)
Northern Lakes Economic Alliance - [.northernlakes.net/](http://northernlakes.net/)
Otsego County Economic Alliance - [.gaylord-otsego.com/](http://gaylord-otsego.com/)
City of Port Huron - [://www.porthuron.org/](http://www.porthuron.org/)
Regional Economic Development Team, Inc.
Right Place, Inc. (Grand Rapids) - [.rightplace.org/](http://rightplace.org/)
Saginaw Future Inc. - [.saginawfuture.com/](http://saginawfuture.com/)
Shiawassee Economic Development Partnership - [.sedpweb.org/](http://sedpweb.org/)
Shiawassee Regional Chamber of Commerce - [.shianet.org/](http://shianet.org/)
South Central Michigan Works! - [.scmw.org/](http://scmw.org/)

Appendix D – Corporate Partners

Southeast Michigan Council of Governments - [.semcog.org/](http://semcog.org/)
City of Southfield - [.cityofsouthfield.com/](http://cityofsouthfield.com/)
Southern Wayne County Chamber of Commerce - [.swcrc.com/](http://swcrc.com/)
Southwestern Michigan Commission - [.swmpc.org/](http://swmpc.org/)
Southwest Michigan First - [.southwestmichiganfirst.com/](http://southwestmichiganfirst.com/)
Target Alpena Corporation - [.targetalpena.com/](http://targetalpena.com/)
Traverse City Chamber of Commerce - [.tcchamber.org/](http://tcchamber.org/)
Troy Chamber of Commerce - [.troychamber.com/](http://troychamber.com/)
Troy Downtown Development Authority - [.troymi.gov/](http://troymi.gov/)
Upper Peninsula Economic Development Alliance - [.upeda.org/](http://upeda.org/)
Valley Center Tech Park - [.valleycentertechpark.com/](http://valleycentertechpark.com/)
City of Warren - [.gowarrencity.com/](http://gowarrencity.com/)
West Michigan Regional Planning Commission - [.wmrpc.org/](http://wmrpc.org/)
West Michigan Shoreline Regional Development Commission - [.wmsrdc.org/](http://wmsrdc.org/)
Western Upper Peninsula Planning and Development Regional Commission - [.wuppdr.org/](http://wuppdr.org/)
Woodward Avenue Action Association, Inc. - [.woodwardavenue.org/](http://woodwardavenue.org/)

TOTAL: 87

Approved as of January 2010

Appendix E – Interlocal Partners

Economic Development Corporation of the City of Albion - albionedc.org/
Economic Development Corporation of the City of Alpena - alpena.mi.us/
Arenac County Economic Development Corporation - arenacountygov.com/
Economic Development Corporation of the City of Bay City - baycitymi.org/
Berrien County Economic Development Corporation - berriencounty.org/
Calumet Township Economic Development Corporation
Economic Development Corporation of the County of Cass - casscountymi.org/
Economic Development Corporation of the County of Cheboygan - cheboygancounty.net/
Economic Development Corporation of Chippewa County - chippewacountymi.gov/
Clinton Township Economic Development Corporation - clintontownship-mi.gov/
City of Coldwater Economic Development Corporation - www.coldwater.org
Economic Development Corporation of the City of Dearborn - cityofdearborn.org/
Economic Development Corporation of Delta Charter Township - deltami.gov/
Economic Development Corporation of the City of Detroit - ci.detroit.mi.us/
Detroit Economic Growth Corporation - degc.org/
Economic Development Corporation of the City of East Lansing - cityofeastlansing.com/
City of Farmington Hills Economic Development Corporation - ci.farmington-hills.mi.us/
Economic Development Corporation for the City of Gladwin - gladwin.org/
Economic Development Corporation of the City of Grand Rapids - grand-rapids.mi.us/
Greater Gratiot (County) Development, Inc - www.gratiot.org/ggdi/
City of Hancock Economic Development Corporation - cityofhancock.com/
City of Hillsdale Economic Development Corporation - ci.hillsdale.mi.us/
Huron County Economic Development Corporation - co.huron.mi.us/
Ionia County Economic Development Corporation - ioniacounty.org/
Ionia County Economic Alliance - icea-mi.org/
Iron County Economic Development Corporation - iron.org/
Economic Development Corporation of the County of Isabella - isabellacounty.org/
Economic Development Corporation of Jackson County - co.jackson.mi.us/
Enterprise Group of Jackson - enterprisegroup.org/
City of Kalamazoo Economic Development Corporation - kalamazoocity.org/
Kalamazoo County Economic Development Corporation - kalcounty.com/
Kentwood Economic Development Corporation - kentwood.mi.us/
Economic Development Corporation of the City of Lansing - cityoflansingmi.com/
Economic Development Corporation of the County of Lapeer - lapeercountyweb.org/
Economic Development Corporation of Leelanau County - leelanaucounty.com/
Lenawee County Economic Development Corporation - lenawee.mi.us/
Lenawee Chamber for Economic Development - lenaweechamber.com/
Luce County Economic Development Corporation

Appendix E – Interlocal Partners

Economic Development Corporation of Mackinac County - [.mackinacounty.net/](http://mackinacounty.net/)
Economic Development Corporation of Manistee County - [.manisteecountymi.gov/](http://manisteecountymi.gov/)
Economic Development Corporation of the County of Marquette - [.co.marquette.mi.us/](http://co.marquette.mi.us/)
Mason County Growth Alliance - [.masoncountygrowth.com/](http://masoncountygrowth.com/)
Economic Development Corporation of the County of Midland - [.co.midland.mi.us/](http://co.midland.mi.us/)
Midland Tomorrow - [.midlandtomorrow.org/](http://midlandtomorrow.org/)
Economic Development Corporation - County of Montmorency - [.montmorencycountymichigan.us/](http://montmorencycountymichigan.us/)
Muskegon (County) Economic Development Corporation - [.co.muskegon.mi.us/](http://co.muskegon.mi.us/)
Charter Township of Northville Economic Development Corporation - [.northvillemich.com/](http://northvillemich.com/)
City of Novi Economic Development Corporation - [.cityofnovi.org/](http://cityofnovi.org/)
Economic Development Corporation of the County of Oakland - [.oakgov.com/peds/](http://oakgov.com/peds/)
Oceana County Economic Development Corporation - [.oceana.mi.us/](http://oceana.mi.us/)
Ogemaw County Economic Development Corporation - [.ogemawcountymi.gov/](http://ogemawcountymi.gov/)
Ontonagon County Economic Development Corporation - [://ontonagonmi.org/](http://ontonagonmi.org/)
Oscoda County Economic Development Corporation - [.oscodacountymi.com/](http://oscodacountymi.com/)
Economic Development Corporation of the County of Ottawa - [.co.ottawa.mi.us/](http://co.ottawa.mi.us/)
Economic Development Corporation of Presque Isle County - [.presqueislecounty.org/](http://presqueislecounty.org/)
Economic Development Corporation of the County of Saginaw - [.saginawcounty.com/](http://saginawcounty.com/)
Saint Joseph County Economic Development Corporation - [.stjosephcountymi.org/](http://stjosephcountymi.org/)
Economic Development Corporation of the County of Sanilac - [.sanilaccounty.net/](http://sanilaccounty.net/)
Schoolcraft County Economic Development Corporation - [.schoolcraftcounty.net/](http://schoolcraftcounty.net/)
Economic Development Corporation of the County of Shiawassee - [.shiawassee.net/](http://shiawassee.net/)
Economic Development Corporation of the City of Sterling Heights - [.sterling-heights.net/](http://sterling-heights.net/)
Economic Development Corporation of the City of Sturgis - [.ci.sturgis.mi.us/](http://ci.sturgis.mi.us/)
Tuscola County Economic Development Corporation - [.tuscolacounty.org/](http://tuscolacounty.org/)
Van Buren County Economic Development Corporation - [.vbco.org/](http://vbco.org/)
Economic Development Corporation of the Charter County of Wayne - [.waynecounty.com/](http://waynecounty.com/)
City of Wyoming Economic Development Corporation - [.ci.wyoming.mi.us/](http://ci.wyoming.mi.us/)

TOTAL: 67

Approved as of April 2010